

Township of Bloomingdale
Van Buren County, Michigan
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
Year ended March 31, 2008

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INDEPENDENT AUDITORS' REPORT

**Board of Trustees
Township of Bloomingdale, Michigan**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Township of Bloomingdale, Michigan, as of March 31, 2008, and for the year then ended, which collectively comprise the Township's basic financial statements, as listed in the contents. These financial statements are the responsibility of Township of Bloomingdale, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Township of Bloomingdale, Michigan, as of March 31, 2008, and the respective changes in financial position, for the year then ended in conformity with U.S. generally accepted accounting principles.

The budgetary comparison information, on pages 18 - 20, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The Township of Bloomingdale, Michigan, has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the financial statements.



Board of Trustees
Township of Bloomingdale, Michigan
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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Bloomingdale, Michigan's basic financial statements. The supplementary information, as listed in the contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sigfried Crandall P.C.

August 13, 2008

BASIC FINANCIAL STATEMENTS

Township of Bloomingdale
STATEMENT OF NET ASSETS
March 31, 2008

	<u>Governmental activities</u>
ASSETS	
Current assets:	
Cash	\$ 871,490
Receivables, net	161,210
Prepaid expenses	<u>6,135</u>
Total current assets	<u>1,038,835</u>
Noncurrent assets:	
Capital assets not being depreciated	240,301
Capital assets, net of accumulated depreciation	<u>1,366,844</u>
Total noncurrent assets	<u>1,607,145</u>
Total assets	<u>2,645,980</u>
LIABILITIES	
Current liabilities:	
Payables	16,343
Current portion of long-term obligations	<u>5,122</u>
Total current liabilities	21,465
Noncurrent liabilities - long-term obligations	<u>59,989</u>
Total liabilities	<u>81,454</u>
NET ASSETS	
Invested in capital assets, net of related debt	1,542,034
Restricted for - public works	103,725
Unrestricted	<u>918,767</u>
Total net assets	<u>\$ 2,564,526</u>

See notes to financial statements

Township of Bloomingdale
STATEMENT OF ACTIVITIES
Year ended March 31, 2008

		<u>Program revenues</u>		<u>Net (expenses)</u> <u>revenues and</u> <u>changes in</u> <u>net assets</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Governmental</u>
	<u>Expenses</u>	<u>services</u>	<u>grants and</u> <u>contributions</u>	<u>activities</u>
Functions/Programs				
Governmental activities:				
Legislative	\$ 6,333	\$ -	\$ -	\$ (6,333)
General government	211,872	53,816	3,048	(155,008)
Public safety	113,923	60,986	-	(52,937)
Public works	200,266	29,375	4,558	(166,333)
Culture and recreation	18,877	-	4,500	(14,377)
Community and economic development	-	600	-	600
Interest on long-term obligations	<u>2,466</u>	<u>-</u>	<u>-</u>	<u>(2,466)</u>
Total governmental activities	<u>\$ 553,737</u>	<u>\$ 144,777</u>	<u>\$ 12,106</u>	<u>(396,854)</u>
General revenues:				
Taxes				390,445
State grants				206,285
Investment income				24,759
Miscellaneous				<u>642</u>
Total general revenues				<u>622,131</u>
Change in net assets				225,277
Net assets - beginning				<u>2,339,249</u>
Net assets - ending				<u>\$ 2,564,526</u>

See notes to financial statements

Township of Bloomingdale
BALANCE SHEET - governmental funds
 March 31, 2008

	<u>General</u>	<u>Roads</u>	<u>Other nonmajor governmental funds</u>	<u>Total governmental funds</u>
ASSETS				
Cash	\$ 857,664	\$ -	\$ 13,826	\$ 871,490
Receivables	<u>161,210</u>	<u>-</u>	<u>-</u>	<u>161,210</u>
Total assets	<u>\$1,018,874</u>	<u>\$ -</u>	<u>\$ 13,826</u>	<u>\$ 1,032,700</u>
LIABILITIES AND FUND BALANCES				
Liabilities - payables	<u>\$ 16,343</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,343</u>
Fund balances:				
Reserved for public works	103,725	-	-	103,725
Unreserved	898,806	-	-	898,806
Unreserved; reported in nonmajor special revenue funds	<u>-</u>	<u>-</u>	<u>13,826</u>	<u>13,826</u>
Total fund balances	<u>1,002,531</u>	<u>-</u>	<u>13,826</u>	<u>1,016,357</u>
Total liabilities and fund balances	<u>\$1,018,874</u>	<u>\$ -</u>	<u>\$ 13,826</u>	<u>\$ 1,032,700</u>

Total fund balances \$ 1,016,357

Amounts reported for *governmental activities* in the statement of net assets (page 4) are different because:

Capital assets used in *governmental activities* are not financial resources and, therefore, are not reported in the funds. 1,607,145

Long-term liabilities, including contracts payable, are not due and payable in the current period and, therefore, are not reported in the funds. (65,111)

Prepaid expenses are not a current financial resource and, therefore, are not reported in the funds. 6,135

Net assets of *governmental activities* \$ 2,564,526

See notes to financial statements

Township of Bloomingdale

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
governmental funds**

Year ended March 31, 2008

	<u>General</u>	<u>Roads</u>	<u>Total nonmajor governmental funds</u>	<u>Total governmental funds</u>
REVENUES				
Taxes	\$ 100,886	\$ 326,133	\$ -	\$ 427,019
Licenses and permits	14,820	-	-	14,820
State grants	210,843	-	-	210,843
Intergovernmental	-	-	4,500	4,500
Charges for services	72,417	-	-	72,417
Interest	24,759	-	-	24,759
Other	1,849	-	22,807	24,656
	<u>425,574</u>	<u>326,133</u>	<u>27,307</u>	<u>779,014</u>
Total revenues				
EXPENDITURES				
Legislative	6,333	-	-	6,333
General government	197,953	-	-	197,953
Public safety	69,136	-	-	69,136
Public works	391,268	-	-	391,268
Culture and recreation	-	-	9,721	9,721
Capital outlay	28,855	-	5,405	34,260
Debt service:				
Principal	5,320	-	-	5,320
Interest	2,466	-	-	2,466
	<u>701,331</u>	<u>-</u>	<u>15,126</u>	<u>716,457</u>
Total expenditures				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(275,757)</u>	<u>326,133</u>	<u>12,181</u>	<u>62,557</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	348,740	-	10,000	358,740
Transfers out	(10,000)	(326,133)	(22,607)	(358,740)
	<u>338,740</u>	<u>(326,133)</u>	<u>(12,607)</u>	<u>-</u>
Total other financing sources (uses)				
NET CHANGE IN FUND BALANCES	62,983	-	(426)	62,557
FUND BALANCES - BEGINNING	<u>939,548</u>	<u>-</u>	<u>14,252</u>	<u>953,800</u>
FUND BALANCES - ENDING	<u>\$ 1,002,531</u>	<u>\$ -</u>	<u>\$ 13,826</u>	<u>\$ 1,016,357</u>

See notes to financial statements

Township of Bloomingdale

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
governmental funds (Continued)**

Year ended March 31, 2008

	<u>Total governmental funds</u>
Net change in fund balances - total governmental funds	\$ 62,557
Amounts reported for <i>governmental activities</i> in the statement of activities (page 5) are different because:	
Capital assets:	
Assets acquired	289,214
Provision for depreciation	(131,538)
Long-term debt - principal repayments	5,320
Changes in other assets - prepaid expense	<u>(276)</u>
Change in net assets of <i>governmental activities</i>	<u>\$ 225,277</u>

See notes to financial statements

Township of Bloomingdale

STATEMENT OF FIDUCIARY NET ASSETS - agency funds

March 31, 2008

ASSETS

Cash	\$ 15,085
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LIABILITIES

Due to other governmental units	\$ 15,085
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See notes to financial statements

Township of Bloomingdale
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Township of Bloomingdale, Michigan (the Township), conform to U.S. generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governments. The following is a summary of the more significant policies.

a) Reporting entity:

The accompanying financial statements present only the Township. There are no component units, entities for which the Township is considered to be financially accountable.

b) Government-wide and fund financial statements:

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the Township. The effect of inter-fund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

c) Measurement focus, basis of accounting, and financial statement presentation:

The government-wide financial statements are reported using the economic resources, measurement focus, and the accrual basis of accounting, as is the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources, measurement focus, and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township generally considers revenues to be available if they are expected to be collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Township of Bloomingdale
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

c) Measurement focus, basis of accounting, and financial statement presentation (continued):

State grants, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the government.

The Township reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.

The Roads Fund accounts for the financial resources used for the expansion and maintenance of roads within the Township. Revenues are primarily derived from property taxes.

The Township reports a single fiduciary fund, Agency Fund, which accounts for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, then unrestricted as they are needed.

d) Assets, liabilities, and net assets or equity:

i) Bank deposits - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Pooled interest income is proportionately allocated to all funds.

ii) Receivables - No allowance for uncollectible accounts has been recorded as the Township considers all receivables to be fully collectible.

iii) Prepaid items - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Township of Bloomingdale
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

d) Assets, liabilities, and net assets or equity (continued):

iv) Capital assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental column in the government-wide financial statements. Capital assets, other than infrastructure are defined by the government as assets with an initial individual cost of more than \$1,000 (\$10,000 for infrastructure assets) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Governments can elect to account for infrastructure assets either retroactively to June 15, 1980, or prospectively. The Township has elected to account for infrastructure assets prospectively, beginning April 1, 2004.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	10 - 40 years
Equipment	3 - 5 years
Vehicles	3 - 20 years
Infrastructure	10 - 40 years

v) Fund equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

vi) Property tax revenue recognition - Property taxes are levied as of December 1 on property values assessed as of December 31 of the prior year. The billings are due on or before February 14, after which time the bill becomes delinquent and penalties and interest may be assessed by the Township. The Township considers property taxes levied December 1 to be revenue of the current year.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

Budgetary information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The budget document presents information by fund, function, and department. The legal level of budgetary control adopted by the governing body is the function level. All annual appropriations lapse at the end of the fiscal year.

The following schedule sets forth significant budget variations:

<u>Fund</u>	<u>Function</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance</u>
General	General governmental	\$ 189,041	\$ 197,953	\$ (8,912)
Roads	Other financing uses	309,783	326,133	(16,350)

Township of Bloomingdale
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - CASH

The Township's cash is as follows:

	<u><i>Governmental activities</i></u>	<u><i>Fiduciary</i></u>	<u><i>Totals</i></u>
Cash	\$ <u>871,490</u>	\$ <u>15,085</u>	\$ <u>886,575</u>

State statutes and the Township's investment policy authorize the Township to make deposits in the accounts of federally-insured banks, credit unions, and savings and loan associations. The Township's deposits are in accordance with statutory authority.

Custodial credit risk is the risk that, in the event of the failure of a financial institution, the Township will not be able to recover its deposits. Deposits are exposed to custodial credit risk if they are not covered by federal depository insurance and are uncollateralized. At March 31, 2008, \$619,570 of the Township's bank balances of \$892,790 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The Township believes that it is impractical to insure all bank deposits due to the amounts of the deposits and the limits of FDIC insurance. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the risk level of each institution. Only the institutions with an acceptable estimated risk level are used as depositories.

NOTE 4 - RECEIVABLES:

Receivables as of year end for the government's individual major and nonmajor funds, in the aggregate, are as follows:

<u><i>Fund</i></u>	<u><i>Accounts</i></u>	<u><i>Property taxes</i></u>	<u><i>Special assessments</i></u>	<u><i>Inter- governmental</i></u>	<u><i>Totals</i></u>
General	\$ <u>4,140</u>	\$ <u>69,960</u>	\$ <u>2,366</u>	\$ <u>84,744</u>	\$ <u>161,210</u>

All receivables are fully collectible and are due within one year.

Township of Bloomingdale
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 - CAPITAL ASSETS:

Capital asset activity for the year ended March 31, 2008, was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Governmental activities:				
Capital assets not being depreciated - land	\$ 236,301	\$ 4,000	\$ -	\$ 240,301
Capital assets being depreciated:				
Buildings and improvements	814,883	16,008	-	830,891
Equipment	191,472	18,224	-	209,696
Vehicles	505,150	-	-	505,150
Infrastructure	479,567	250,982	-	730,549
Subtotal	<u>1,991,072</u>	<u>285,214</u>	<u>-</u>	<u>2,276,286</u>
Less accumulated depreciation for:				
Buildings and improvements	(222,709)	(20,672)	-	(243,381)
Equipment	(111,255)	(14,507)	-	(125,762)
Vehicles	(345,842)	(23,305)	-	(369,147)
Infrastructure	(98,098)	(73,054)	-	(171,152)
Subtotal	<u>(777,904)</u>	<u>(131,538)</u>	<u>-</u>	<u>(909,442)</u>
Total capital assets being depreciated, net	<u>1,213,168</u>	<u>153,676</u>	<u>-</u>	<u>1,366,844</u>
Governmental activities capital assets, net	<u>\$ 1,449,469</u>	<u>\$ 157,676</u>	<u>\$ -</u>	<u>\$ 1,607,145</u>

Depreciation expense was charged to functions of the Township as follows:

Governmental activities:	
General government	\$ 13,138
Public safety	40,905
Public works	73,743
Culture and recreation	<u>3,752</u>
	<u>\$ 131,538</u>

Township of Bloomingdale
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 - NONCURRENT LIABILITIES:

Long-term debt at March 31, 2008, is comprised of an \$85,000, 2004 Installment Purchase Agreement due in monthly installments of \$599, including interest at 3.29%. Final payment is due January 2019.

Long-term debt activity for the year ended March 31, 2008, was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Amounts due within one year</u>
Purchase agreement	\$ 70,431	\$ -	\$ (5,320)	\$ 65,111	\$ 5,122

At March 31, 2008, debt service requirements on long-term debt are follows:

<u>Year ended</u>	<u>Governmental activities</u>	
<u>March 31:</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 5,122	\$ 2,065
2010	5,293	1,894
2011	5,470	1,717
2012	5,652	1,535
2013	5,841	1,346
2014 - 2018	32,265	3,670
2019	<u>5,468</u>	<u>77</u>
Totals	<u>\$ 65,111</u>	<u>\$ 12,304</u>

NOTE 7 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

A summary of interfund transfers for the year ended March 31, 2008, is as follows:

<u>Fund</u>	<u>Transfer in</u>	<u>Fund</u>	<u>Transfer out</u>
General	\$ 348,740	Roads	\$ 326,133
		Other governmental	21,435
		Other governmental	<u>1,172</u>
			348,740
Other governmental	<u>10,000</u>	General	<u>10,000</u>
Total	<u>\$ 358,740</u>	Total	<u>\$ 358,740</u>

The transfer to the General Fund represents a transfer of restricted revenues collected in the Roads Fund and other governmental nonmajor funds to pay for costs reported in the General Fund.

The transfer from the General Fund to the other governmental nonmajor funds represents operational support.

Township of Bloomingdale
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - CONSTRUCTION CODE ACT:

A summary of construction code enforcement transactions for the year ended March 31, 2008, is as follows:

Permit revenue	\$ 13,920
Inspections	<u>(14,545)</u>
Deficiency of revenues over expenses	<u>\$ (625)</u>

NOTE 9 - RISK MANAGEMENT:

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The Township has purchased commercial insurance for each of these claims and is neither self-insured, nor participates in a shared-risk pool. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

NOTE 10 - DEFINED CONTRIBUTION PENSION PLAN:

The Township provides pension benefits for all its elected officials through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Michigan State Statute assigns the authority to establish and amend benefit provisions to the Township Board of Trustees. Officials are eligible to participate from the date they are elected to office. The Township annually contributes 15% of the participant's base salary and participants are immediately 100% vested. The Township and its officials made the required contributions of \$7,470 and \$4,980, respectively. The Township is not a trustee of the plan, nor is the Township responsible for investment management of plan assets.

REQUIRED SUPPLEMENTARY INFORMATION

Township of Bloomingdale**BUDGETARY COMPARISON SCHEDULE - General Fund**

Year ended March 31, 2008

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES				
Taxes	\$ 95,818	\$ 95,818	\$ 100,886	\$ 5,068
Licenses and permits	12,025	12,025	14,820	2,795
State grants	204,200	204,200	210,843	6,643
Charges for services	51,500	51,500	72,417	20,917
Interest	22,000	22,000	24,759	2,759
Other	-	-	1,849	1,849
Total revenues	<u>385,543</u>	<u>385,543</u>	<u>425,574</u>	<u>40,031</u>
EXPENDITURES				
Legislative	<u>6,350</u>	<u>6,350</u>	<u>6,333</u>	<u>17</u>
General government:				
Supervisor	17,120	17,120	16,830	290
Election	4,000	7,000	4,518	2,482
Assessor	19,100	16,100	19,190	(3,090)
Clerk	23,600	23,600	23,121	479
Board of review	1,476	1,476	1,571	(95)
Treasurer	30,845	34,845	31,608	3,237
Hall and grounds	16,850	17,850	15,590	2,260
Cemetery	36,500	36,500	34,759	1,741
Other	<u>34,550</u>	<u>34,550</u>	<u>50,766</u>	<u>(16,216)</u>
Total general government	<u>184,041</u>	<u>189,041</u>	<u>197,953</u>	<u>(8,912)</u>
Public safety:				
Fire protection	69,250	69,250	44,850	24,400
Ordinance enforcement	13,348	13,348	9,741	3,607
Building inspections	<u>12,000</u>	<u>12,000</u>	<u>14,545</u>	<u>(2,545)</u>
Total public safety	<u>94,598</u>	<u>94,598</u>	<u>69,136</u>	<u>25,462</u>
Public works:				
Highways and streets	411,197	410,197	331,538	78,659
Weed control	24,376	24,376	25,925	(1,549)
Sanitation	31,500	24,500	29,404	(4,904)
Drains	<u>-</u>	<u>-</u>	<u>4,401</u>	<u>(4,401)</u>
Total public works	<u>467,073</u>	<u>459,073</u>	<u>391,268</u>	<u>67,805</u>

Township of Bloomingdale

BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)

Year ended March 31, 2008

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
EXPENDITURES (Continued)				
Capital outlay	\$ 24,250	\$ 27,250	\$ 28,855	\$ (1,605)
Debt service - principal	4,800	4,800	5,320	(520)
Debt service - interest	2,500	2,500	2,466	34
Total expenditures	783,612	783,612	701,331	82,281
DEFICIENCY OF REVENUES OVER EXPENDITURES	(398,069)	(398,069)	(275,757)	122,312
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Roads Fund	309,783	309,783	326,133	16,350
Weed Control Fund	23,204	23,204	21,435	(1,769)
Snow Plowing Fund	1,172	1,172	1,172	-
Total transfers in	334,159	334,159	348,740	14,581
Transfers out - Parks and Recreation Fund	(10,000)	(10,000)	(10,000)	-
Total other sources	324,159	324,159	338,740	29,162
NET CHANGE IN FUND BALANCES	(73,910)	(73,910)	62,983	151,474
FUND BALANCES - BEGINNING	939,548	939,548	939,548	-
FUND BALANCES - ENDING	<u>\$ 865,638</u>	<u>\$ 865,638</u>	<u>\$1,002,531</u>	<u>\$ 151,474</u>

Township of Bloomingdale

BUDGETARY COMPARISON SCHEDULE - Roads Fund

Year ended March 31, 2008

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES				
Taxes	\$ 309,783	\$ 309,783	\$ 326,133	\$ 16,350
OTHER FINANCING USES				
Transfer out - General Fund	<u>(309,783)</u>	<u>(309,783)</u>	<u>(326,133)</u>	<u>(16,350)</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUPPLEMENTARY INFORMATION

Township of Bloomingdale

COMBINING BALANCE SHEET - nonmajor governmental funds

March 31, 2008

	<u>Special revenue funds</u>			<u>Totals</u>
	<u>Snow Plowing</u>	<u>Weed Control</u>	<u>Parks and Recreation</u>	
ASSETS				
Cash	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,826</u>	<u>\$ 13,826</u>
 FUND BALANCES				
Unreserved, undesignated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,826</u>	<u>\$ 13,826</u>

Township of Bloomingdale**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - nonmajor governmental funds**

Year ended March 31, 2008

	Special revenue funds			Totals
	<u>Snow Plowing</u>	<u>Weed Control</u>	<u>Parks and Recreation</u>	
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 4,500	\$ 4,500
Other:				
Special assessments	1,172	21,435	-	22,607
Miscellaneous	-	-	200	200
	<u>1,172</u>	<u>21,435</u>	<u>4,700</u>	<u>27,307</u>
Total revenues				
	<u>1,172</u>	<u>21,435</u>	<u>4,700</u>	<u>27,307</u>
EXPENDITURES				
Culture and recreation	-	-	9,721	9,721
Capital outlay	-	-	5,405	5,405
	<u>-</u>	<u>-</u>	<u>15,126</u>	<u>15,126</u>
Total expenditures				
	<u>-</u>	<u>-</u>	<u>15,126</u>	<u>15,126</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,172</u>	<u>21,435</u>	<u>(10,426)</u>	<u>12,181</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	10,000	10,000
Transfers out	(1,172)	(21,435)	-	(22,607)
	<u>(1,172)</u>	<u>(21,435)</u>	<u>10,000</u>	<u>(12,607)</u>
Total other financing sources (uses)				
	<u>(1,172)</u>	<u>(21,435)</u>	<u>10,000</u>	<u>(12,607)</u>
NET CHANGE IN FUND BALANCES	-	-	(426)	(426)
FUND BALANCES - BEGINNING	-	-	14,252	14,252
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,826</u>	<u>\$ 13,826</u>

August 13, 2008

To the Board of Trustees
Township of Bloomingdale

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Bloomingdale for the year ended March 31, 2008, and have issued our report thereon dated August 13, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated March 3, 2008, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Township of Bloomingdale are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2008. We noted no transactions entered into by the Township of Bloomingdale during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was capital asset depreciation.

Management's estimate of the capital asset depreciation is based on the estimated useful lives of the Township's capital assets. We evaluated the key factors and assumptions used to develop the capital asset depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.



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The disclosures in the financial statements are neutral, consistent, and clear.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. Management has recorded all of our proposed audit adjustments.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter associated with the audits for the year ended March 31, 2008.

Other Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Township of Bloomingdale's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Communication Regarding Internal Control

In planning and performing our audit of the financial statements of the Township of Bloomingdale as of and for the year ended March 31, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Township of Bloomingdale's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Our consideration of internal control included procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented, but it did not include procedures to test the operating effectiveness of controls, and accordingly, was not directed to discovering significant deficiencies in internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

The Township has not implemented a system of controls to prepare financial statements in accordance with U.S. generally accepted accounting principles, including procedures to achieve the objectives of recording revenue and expense accruals, the capitalization and depreciation of capital assets, and the presentation of financial statement disclosures. This is a recurring comment. The Township has determined that the additional benefits derived from implementing such a system would not outweigh the costs incurred to do so.

This communication is intended solely for the information and use of the Board of Trustees of the Township of Bloomingdale and the State of Michigan Department of Treasury and is not intended to be and should not be used by anyone other than these specified parties.

Sigfried Crandall P.C.